

CITY OF MORGAN HILL
SPECIAL CITY COUNCIL AND JOINT
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES - JANUARY 10, 2001

CALL TO ORDER

Mayor/Chairman Kennedy called the special meeting to order at 7:02 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Chang, Sellers, Tate and Mayor/Chairman Kennedy

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Robert Benich led the Pledge of Allegiance.

PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to comments for items not on the agenda.

Robert Benich addressed the rezoning of the Morgan Hill Hospital site. He noted that the proposal from JWB Development is a skilled nursing and senior housing facility in disguise. He cautioned the Mayor and other Council Members from using the term "hospital" when addressing the public as a 17-bed facility that includes housing for seniors does not qualify for the use of the term "hospital." He felt that a skilled nursing, senior housing and care facility would be a great addition to the city. He felt that it would be in the best interest of the City if the proposal could be located on the Cochrane Road site. He noted that JWB Development and Tennant Health Systems stated that they would be willing to work with the City to stay in the existing hospital building. He urged the City Council and the Blue Ribbon Task Force to pursue this option. Should the former Cochrane Road hospital site be rezoned, the City can forget about having a full service hospital in the City. The available land and the money to construct a hospital would be economically unfeasible in the future. He noted that the city has a hospital facility already constructed and should not give it up.

No other comments were offered.

CITY MANAGER'S REPORT

City Manager Tewes noted that an energy shortage and a price increase exists. He said that the current situation is attributed partly to the weather, market conditions, and public policy decisions. The current

shortage and the related increase in the price in energy have created greater citizen interest and energy efficiency. It requires city government to evaluate what it can do to enhance energy efficiency citywide by residents, businesses and the city. This gives the City the opportunity to make internal energy efficiency improvements cost effective. He pointed out that the City is already an energy efficient operation. However, some operations are energy intensive, especially water and sewer system operations due to the need for lift stations and pumps to transport water and sewer over hills. He indicated that staff would return to the City Council in the future with a report on how city government can reduce its own use of energy, how it can assist city residents and businesses in saving energy, and how the city can ensure that new development is energy efficient. He indicated that a Stage 2 electric alert continues and that the Independent Systems Operator for the State of California has urged citizens to conserve energy tomorrow morning between the hours of 5:00-9:00 a.m. when it is expected to be a heavy load. He requested the community's cooperation in this effort.

Mayor Kennedy stated that the Governor has requested that citizens make a 7% energy conservation effort. He urged citizens to conserve energy during the hours of 5:00-9:00 a.m. and 3:00-7:00 p.m.

CITY ATTORNEY'S REPORT

City Attorney Leichter indicated that she did not have a City Attorney's Report to present this evening.

City Council Action

CONSENT CALENDAR:

1. AWARD OF CONTRACT FOR USER FEE AND COST ALLOCATION STUDIES

At the request of Council Member Tate, Finance Director Dilles presented the staff report requesting that the City Council award contract for a comprehensive review of fees charged to City customers in order to do a good job of allocating costs. He said that the City would like to make sure that the fees charged to the public reflect the cost of doing business.

Council Member Carr noted that staff indicates that there is a budget increase of over \$46,000, noting that it has been indicated that the scope of the project has increased.

Mayor Kennedy stated that when the previous fee structures were set, particular sewer, water and impact fees, citizen committees were involved. This resulted in a lot of time and effort toward developing the fees. He stated his support of staff's recommendation as he did not believe that it was necessary to go through a lengthy process every time fees are adjusted, unless there is a major change that is being considered. In this case, he felt that the city will be refining fees and structures that have been in place for some time. He felt that it was time to take a look at these fees and bring them up to date, keeping in mind the past history of community involvement and participation on the fee structure.

City Manager Tewes stated that staff is not suggesting that fees will be adjusted. Staff is stating that a thorough study is needed. If any adjustments are in order, staff will bring these adjustments to the attention of those who pay the fees. If the City Council wishes to have a more comprehensive citizen review, it

would be appropriate as well.

Action: *On a motion by Council Member Tate and seconded by Council Member Chang, the City Council unanimously (5-0): 1) **Awarded** a contract for cost allocation plan & user fee study services, development impact fee study services, and water & sewer rate and impact fee services for a maximum cost of \$144,350 to DMG-MAXIMUS; 2) **Authorized** the City Manager to execute a contract with DMG-MAXIMUS; and 3) **Increased** the 2000/01 Budget by \$46,850.*

OTHER BUSINESS:

2. SIX MONTH PROGRESS REPORT ON 2000-2001 CITY WORK PLAN

Assistant to the City Manager Eulo presented a six-month progress report on the 2000-2001 Work Plan.

Council Member Tate stated that when you review the report, it is mind boggling to see what staff has accomplished with the staffing in place. He felt that staff has done a great job.

Council Member Carr said that as he read through the work plan, he was amazed and pleased with the amount of work completed. He was also pleased to see the direction that staff was heading. He said that he hopes that the day to day work items not a part of the work plan are reviewed in a way to streamline them and make them more efficient. He was not suggesting that the amount of review be lessened but that a means be found to simplify the review by staff, making the process economically efficient. He recommended that the City Council discuss recruitment and retention of employees as it is difficult to recruit and retain employees in the public sector.

Council Member Chang complimented City Manager Tewes and staff for their efforts. She indicated that Bonnie Branco with the Unified School District stated that staff assisted the School District with the completion of Nordstrom Park and was appreciative of their assistance. She felt that the City and School District were improving their working relationship.

Mayor Pro Tempore Sellers concurred with the comments expressed by his fellow Council Members. He noted that the Business Assistance and Housing Services portion of the work plan makes reference to an effort undertaken to complete downtown improvements. He also noted that the Community Development Department includes a downtown plan update. He requested that staff address the difference between the roles of these two plans and asked if there is an overlap between the two.

City Manager Tewes said that it is planned to update the land use plan for the downtown, in particular, looking at issues such as housing. Also, the City will be looking at how it can assist the merchants and property owners in the downtown through developing an institutional arrangement so that they can take greater responsibility and develop a strong partnership for the on going operations of the downtown as a business center.

Director of Business Assistance and Housing Services Toy informed the City Council that Burns Consulting has been retained to prepare a study and that the consultant has met with the downtown merchant property owners and other key stakeholders to take a look at the downtown to determine what is needed, including

the structure needed to maintain and develop improvements in the future. He noted that this is different from the downtown plan.

Director of Community Development Bischoff stated that as part of the General Plan Update, the Task Force has identified a need to look at the downtown area and update the Downtown Plan. He indicated that some of the aspects of the Downtown Plan have been implemented while others are not feasible. He felt that the Plan should be re-evaluated to determine whether those items that are not feasible should be eliminated and what other items can be accomplished to enhance the vitality of the downtown area. He said that Mayor Kennedy has suggested that the City look at the possibility of establishing the downtown as a transit village. He stated that the transit village concept and the downtown are similar in a number of respects and can be interrelated. A request for proposal has been sent out for these two plans, noting that there is a problem finding qualified people to assist with these projects.

Mayor Pro Tempore Sellers asked if part of the plan would be to reevaluate what is to be considered to be the downtown? Mr. Bischoff responded that it is staff's intent to return with a scope of work prior to proceeding. As conceived at this time, the plan was to look at the downtown as it was defined in the earlier Downtown Plan which extends from the railroad tracks, Peak, north of Main Avenue, and slightly south of Dunne Avenue.

Mayor Pro Tempore Sellers indicated that other cities have established monuments in their respective community centers in reference to their sister city program. He recommended that this effort be coordinated with the community center. He addressed the Public Facility Location siting. He asked if the City Manager was looking into public facilities and whether there was any opportunity for the City Council to review the locations of public facilities such as the court house, the police department or other buildings?

City Manager Tewes responded that staff is looking internally at public facility locations and that there would be two opportunities for the City Council to review and discuss the location of public facilities. One opportunity will be at the City Council's annual goal setting retreat. Staff will bring the City Council an update on decisions that have been made with respect to facilities. In the spring, staff will return with the Capital Improvement Programs and address facilities at that time.

Council Member Tate asked Mr. Bischoff if the Downtown Plan would differentiate between commercial retail from office uses? Mr. Bischoff responded that staff has not identified the specifics in the request for proposal and that he understood that this has been an issue for a number of merchants in the downtown. He felt that this can be included in the study.

Mayor Kennedy stated that he was pleased to see a work plan in place as one of the problems experienced in the past were special requests coming from Council Members that made it difficult for staff to have an organized plan and be able to schedule their work load. He noted that the City Council will be holding a goal setting workshop next month and that there will be discussion regarding the goals that it would like to see accomplished. It is his hope that there will be the ability to make a mid course adjustment, as necessary, as a result of the workshop and study session that the Council will be having. He recommended that the efforts on corporate sponsorships and the foundation be coordinated.

Action: *By consensus, the City Council unanimously (5-0) **Received** and **File** Report.*

3. ESTABLISHMENT OF A COMMITTEE WHOSE MISSION IS TO SOLICIT DONATIONS FOR COMMUNITY SERVICES

Recreation Manager Spier presented the staff report.

Mayor Kennedy stated that he met with Mayor Pro Tempore Sellers earlier this year regarding his goals in his capacity of Mayor Pro Tempore. He noted that Mayor Pro Tempore Sellers identified several issues that he would like to work on this year: the downtown and the community foundation. He recommended that Mayor Pro Tempore Sellers be allowed to head up the City Council's effort on the Community Foundation.

Mayor Kennedy opened the floor to public comment. Roberta Stoddard, 15760 Sunnyside Avenue, supported the establishment of a Community Foundation. She stated that along with other families, she has benefitted from the Parks and Recreation Department. She felt that the City has come a long way in 40 years. She recommended that the Community Foundation not be made too complicated and that it be made available to everyone, regardless of one's athletic or financial ability. She felt that children need outside activities, involving the parents and that the proposal will provide a long-lasting advantage to the community. No further comments were offered.

Council Member Tate felt that the recommendation to appointment a Parks and Recreation Commissioner to work with the appointed council member would be limited as this committee has implications for others. He would like to broaden the committee representation to include representatives from the senior advisory committee, youth advisory committee and the library commission so that their views are represented.

Council Member Carr concurred with Mrs. Stoddard that this is a great opportunity, especially for the youth of the community. Before expanding the committee, he suggested that Mayor Pro Tempore Sellers, staff and the Mayor be given the opportunity to put some thought into who should be invited to serve on the committee. He noted that there are a lot of groups in the community that raise money for events that take place in Morgan Hill such as the Live Oak Foundation and the YMCA. Also, a Blue Ribbon Task Force is discussing the possibility of a healthcare foundation. He felt that there are a lot of needs in the community and that there are a lot of groups that are trying to fill these needs. He recommended that this be kept in mind as the City goes through this process and in its discussions of who should be a part of the process. He felt that the City may want to go outside the governmental body and include different agencies.

Mayor Pro Tempore Sellers felt that it would take the efforts of the City and the entire community to be successful. He agreed that many organizations such as the Youth Sports Alliance, Friends of the Library, El Toro Youth Center, YMCA, and other organizations that raise funds could be potential recipients of a broader community foundation. He felt that the opportunity is one that has afforded itself, given the economy, growth in the community and the enthusiasm that has been generated by citizens in the community to participate. Thought has been given to take advantage of this enthusiasm in a positive way. The goal will be to focus on raising funds so that all recipients' needs are met in the years to come. It is his hope to work closely with Mayor Kennedy, Council Members and the broader community as a whole. He thanked the City Council for its support in this effort.

Mayor Kennedy supported directing staff to work with Mayor Pro Tempore Sellers and him initially. Jointly, this group will return to the City Council with recommendations as to the make up of the steering

community and the involvement of other interested group.

Council Member Tate stated his support of Mayor Kennedy's suggestion as appointing a Parks and Recreation Commissioner initially would make it seem like it is slanted in the direction of recreation. He stated that he was trying to avoid this slant.

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) **Directed** Staff to Work with Mayor and Mayor Pro Tempore Seller to develop a work plan on formulating a Community Foundation.*

CITY MANAGER'S REPORT

City Manager Tewes announced that he recently received notification that Council Services and Records Manager Torrez received the prestigious designation of Certified Municipal Clerk.

4. CORPORATION YARD LEASE AGREEMENT

City Manager Tewes presented the staff report. Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council unanimously (5-0) **Authorized** the City Manager to execute the Lease Agreement with the Morgan Unified School District.*

City Council and Redevelopment Action

OTHER BUSINESS:

5. ALTERNATIVE MEETING LOCATIONS

Council Services and Records Manager Torrez presented the staff report.

Mayor Pro Tempore/Agency Member Sellers stated it would be difficult to take a general meeting to the community due to the needed infrastructure such as televising the meetings. He felt that there would be opportunities throughout the year to take meetings to other locations within the community if specific issues arise.

Mayor/Chairman Kennedy agreed that the meeting held at the Las Casas de San Pedro facility was well handled and that he was pleased to hear the responses of the residents. Said meeting allowed the residents to provide their input in an environment that they were familiar with. He stated that when the City Council held meetings at off site locations, it resulted in a poor turn out unless there was an issue of importance to the neighborhood. He felt that the meetings could have easily been held in the Council Chambers. If there is a project or concern of a particular community or neighborhood, he would support holding the meeting in that segment of the community.

Council Member/Vice-chairman Carr felt that it was a great idea to take city government out to the neighborhoods. He agreed that off site meetings should be tied to specific opportunities that involve that neighborhood or concern that a neighborhood may have. He recommended that the City look toward highlighting things that may be ongoing in various neighborhoods such as programs or events.

Council/Agency Member Tate stated that the Library Commission has expressed an interest in meeting with the City Council as they are in the process of defining and updating their goals and objectives. He felt that there was merit in having a formal meeting with other boards and commission to have an interchange.

Mayor Kennedy supported scheduling one meeting a year with each commission to maintain or reestablish a rapport.

Council Member/Agency Member Carr suggested that the Council get back to the previous practice of holding joint meetings with the School District as there are several issues that can be discussed.

Action: *By consensus, the City Council/Redevelopment Agency provided staff with the above stated Direction.*

CONSENT CALENDAR:

6. JOINT SPECIAL/REGULAR CITY COUNCIL & SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 20, 2000

Action: *On a motion by Council/Agency Member Tate and seconded by Mayor Pro Tempore/Agency Member Sellers, the City Council/Agency Commission unanimously (5-0) approved the minutes as amended.*

CLOSED SESSION:

City Attorney/Agency Counsel Leichter announced the following closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Legal Authority:	Government Code 54956.8 & 54956.9(c) (1 potential case)
Real Property(ies) involved:	APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Road (St. Louise Hospital property)
City Negotiators:	Agency Members; Executive Director; Agency Counsel; and F. Gale Conner, special counsel
Closed Session Topic:	Potential Litigation

2.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION & CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority:	Government Code 54956.8 & 54946.9(c)
Real Property Involved:	A 8.49 acre parcel located on West Edmundson Avenue, east of Community Park (APN 767-18-025)
Negotiating Parties:	For City/Agency: City Manager/Executive Director; Public Works Director, Director of Business Assistance & Housing Services; City Attorney/Agency

For Property Owners:
Under Negotiation:

Counsel; Special Counsel
Gundersen Trust Partnership Trustee
Price and Terms of Payment

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION:

Mayor/Chairman Kennedy adjourned the meeting to closed session at 8:34 p.m.

RECONVENE:

Mayor/Chairman Kennedy reconvened the meeting at 9:44 p.m.

CLOSED SESSION ANNOUNCEMENT:

City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the above listed closed session items.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

No items were noted.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 9:45 p.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, City Clerk